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# Quarterly Activities Report April – June 2019

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*Accelerating adoption of batteries  
for a cleaner energy future*

Tuesday, 30 July 2019



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- Company overview
- PUREgraphite activities
- BTS activities
- Corporate activities
- Capital structure
- Board of directors
- Executive team
- Investment highlights
- Contact information

## CORPORATE INFORMATION

### STOCK INFORMATION @ 26 July 2019

ASX Code	NVX
ASX Share Price	A\$0.55
52 Week Low - High	A\$0.36 – A\$0.73
Shares on issue	128m
Market Capitalisation	A\$70m

### CURRENT CASH POSITION @ 30 June 2019

Cash available	A\$6.1m
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### FINANCIAL INFORMATION FY2018

FY2018 Revenue	A\$2.1m
Total Assets @ 30 June 2018	A\$34.2m
Total Liabilities @30 June 2018	A\$1m

SHAREHOLDINGS	(m)	%
Board and KMP – ordinary shares	51.8	40%



- **NOVONIX is an international battery materials and technology company**
- **Manufacturer of battery anode material (PUREgraphite)**
  - **Premium high capacity and long-life graphite anode material**
  - **Anode material pilot plant completed in Chattanooga, Tennessee**
  - **NOVONIX is now scaling battery anode materials production in USA**
  - **Phase 1 commercial production-ready during 2019 (recently expanded premises)**
- **Manufacturer of battery test equip. and R&D services (Battery Technology Solutions)**
  - **NOVONIX precision testing equipment accelerates R&D from years to weeks**
  - **Battery testing equipment used by battery & OEM multinationals**
  - **Full pilot line for battery assembly supporting internal and customer projects**
  - **Battery Technology Services division based in Canada with sales in 14 countries**

## April - June activities

- Integrated PG as a NVX-controlled subsidiary
- Conducted further technical and business development meetings with international battery-makers, providing samples of our anode material for evaluation
  - These activities have confirmed that there is a strong growing market for the anode material product that PUREgraphite has focused upon, and genuine customer interest to support the Company's decision to expand into its new commercial scale premises
- Commenced relocation of existing plant equipment and personnel from the Duncan Street, Chattanooga facility to its new premises located in Corporate Place, Chattanooga
  - Lease executed on new facility has 3,700 square meters with rights of first offer to lease additional 11,150 square meters
- EPCM activities for first 1,000tpa well advanced

## July- December 2019 outlook

- Expand product trials and technical interchange with domestic US & global battery makers
- Achieve first commercial production by the end of August 2019
  - Note that this is two months later than original target due to decision to relocate the whole operation to a larger facility with greater expansion capability*
- Negotiation of supply agreements will be an expanding activity as we progress through customer qualification programs underway
- Expansion of manufacturing capacity based on anticipated customer requirements
- Ongoing product development leveraging our expanded R&D capabilities in Halifax and our partnership with Dalhousie University

# BTS activities and outlook

## April - June activities

- Strong fourth quarter for sales and service
- Scoped large Differential Thermal Analysis (DTA) and cell testing projects with large customers to start in Q1 2019
- Cell building and consulting services have multiple large customer contracts to build custom cells and evaluate materials for customers
- Expanded staffing to 20 to support increased activity in cell building and expanded infrastructure to 1,000+ circuits for cell and pack testing

## July- December 2019 outlook

- Continue to grow equipment sales with focus on custom solutions
- Deliver large customized order to customer
- Publish white papers on DTA and HPC experiments to demonstrate importance of equipment
- Large growth in cell building and testing services
- Begin several new long-term customer research projects for cell design and evaluation
- Develop and file on new materials IP with Dalhousie University research partnership
- Develop, and file patent(s), on new electrolyte IP from internal research programs

## April - June activities

- Ongoing high-level support for PUREgraphite business development including a composite board and management working group and customer visits
- Increased top-level engagements and activations with prospective global customers including leverage of extensive personal networks
- Strategic review of the PUREgraphite business and refinement of the business plan including decision to move the manufacturing to a larger facility with greater expansion capability, sooner rather than later
- Identification of new premises and lease arrangements
- Adoption of financial control for PUREgraphite
- Ongoing statutory and other reporting activities
- Ongoing investor meetings and communications

## July- December 2019 outlook

- Progression to focus on supply agreements, sales contracts and expansion of business development activity in general
- Corporate guidance and oversight to the establishment of commercial scale production at PUREgraphite in expanded premises
- Strategic review of the group with a focus on promising growth opportunities and geographies for PUREgraphite and BTS
- Completion of incentives to retain and motivate our high powered board and executive team through this critical phase of the business (achieved in July)

Undiluted Basis:	Number (m)	% (Undiluted)
Board and key management personnel – ordinary shares	51.8	40.42%
Other shareholders – ordinary shares	76.34	59.57%
	128.14	100%

Fully Diluted Basis:	Number (m)	% (fully diluted)
Board and key management personnel – ordinary shares	51.8	25.08%
Board and key management personnel – options and rights	29.6	14.33%
Employees and Contractors – options	5.10	2.47%
Other shareholders – ordinary shares	76.34	36.97%
Other shareholders – Convertible Notes @40cps; expiry January 2022	17.25	8.35%
Other shareholders – Convertible Notes @60cps; expiry August 2020	9.17	4.44%
Other shareholders – options @80cps	17.25	8.36%
	206.51	100%

Notes: Board and Management Options & Rights have strike or performance hurdle prices between \$0.50 and \$1.57

**Chairman**  
Tony Bellas



**Managing Director**  
Philip St Baker



**Executive Director**  
Greg Baynton



**Non-Executive Director**  
Admiral Robert J. Natter



**Non-Executive Director**  
Andrew N. Liveris AO



**Non-Executive Director**  
Robert Cooper



**Group Chief Operating Officer**  
**CEO of PUREgraphite / CEO of BTS**  
Dr Chris Burns



**Group VP Business Development**  
**CFO of PUREgraphite / CFO of BTS**  
Nick Liveris



**Group Managing Director**  
Philip St Baker



**Group Executive Director**  
Greg Baynton



**Group CFO and Co Secretary**  
Suzanne Yeates



## **Opportunity to position at an early stage in a global market with exponential growth**

- Exponential demand for rechargeable lithium-ion batteries and battery materials being driven by EV and energy storage demand growth

## **Established brand in the rechargeable lithium-ion battery industry**

- NOVONIX is an established brand name known for making the most accurate battery cell test equipment in the world

## **Global footprint of blue-chip customers and sales in 14 countries**

- Battery cell testing tech used by battery & auto makers including PANASONIC, SAMSUNG, CATL, SK, GM, DYSON, BOSCH, GE

## **Innovative new products being commercialised in large growing market**

- Developing & commercialising innovations in battery materials & battery test equipment and undertaking R&D in next generation materials

## **Backed by a board experienced in building and running billion-dollar businesses**

- Extensive experience in BD, resources, energy, advanced materials, battery industry, project financing, project delivery, operations and scaling

## **Highly-incentivised Board and Management**

- The Board and Management hold ~40% of the equity in the company – working directly on the delivery of customer supply contracts with the majors

## Corporate

### Group Managing Director

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### Group Executive Director

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### Group CFO and Co Secretary

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## Battery Technology Solutions



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## PUREgraphite



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